

108TH CONGRESS
2D SESSION

S. 2162

To implement the Inland Northwest Economic Adjustment Strategy, and
for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 3, 2004

Mr. CRAPO introduced the following bill; which was read twice and referred
to the Committee on Environment and Public Works

A BILL

To implement the Inland Northwest Economic Adjustment
Strategy, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 This Act may be cited as the “Inland Northwest Revi-
5 talization Act”.

6 (a) **SHORT TITLE.**—This Act may be cited as the
7 “Inland Northwest Revitalization Act”.

8 (b) **TABLE OF CONTENTS.**—The table of contents of
9 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purposes.
- Sec. 3. Definitions.

TITLE I—INLAND NORTHWEST REGIONAL PARTNERSHIP

- Sec. 101. Establishment, membership, and employees.
- Sec. 102. Decisions.
- Sec. 103. Functions.
- Sec. 104. Administrative powers and expenses.
- Sec. 105. Meetings.
- Sec. 106. Public participation.
- Sec. 107. Annual report.

TITLE II—FINANCIAL ASSISTANCE

- Sec. 201. Grants and other assistance.
- Sec. 202. Approval of projects.

TITLE III—INLAND NORTHWEST REGIONAL PARTNERSHIP
REGIONAL INITIATIVES

- Sec. 301. Inland Northwest business cluster initiative.
- Sec. 302. Entrepreneurial development initiative.
- Sec. 303. Technology commercialization initiative.
- Sec. 304. Community readiness initiative.
- Sec. 305. Regional workforce development.

TITLE IV—ADMINISTRATION

- Sec. 401. Consent of States.
- Sec. 402. Program implementation.
- Sec. 403. Program development criteria.
- Sec. 404. Regional development planning process.
- Sec. 405. Distressed and economically strong counties.

TITLE V—MISCELLANEOUS

- Sec. 501. Authorization of appropriations.
- Sec. 502. Cessation of effectiveness.

1 **SEC. 2. PURPOSES.**

2 The purposes of this Act are—

3 (1) to assist the Inland Northwest Region in—

4 (A) making the industrial and commercial
5 resources of the Region more competitive in na-
6 tional and world markets;

7 (B) generating a diversified regional econ-
8 omy;

9 (C) developing the industry of the Region;

10 (D) building entrepreneurial communities;

1 (E) providing the infrastructure necessary
2 for economic and human resource development;
3 and

4 (F) addressing problems unique to the Re-
5 gion;

6 (2) to provide a framework for coordinating
7 Federal, State, tribal, and local initiatives to respond
8 to the economic competitiveness challenges in the
9 Region by—

10 (A) adapting and applying new tech-
11 nologies for businesses in the Region;

12 (B) improving the access of those busi-
13 nesses to the technical and financial resources
14 necessary to development of the businesses;

15 (C) improving the skills of the workforce of
16 the Region;

17 (D) using the actions of the Healthy For-
18 ests Restoration Act of 2003 (Public Law 108–
19 148) to sustain rural communities and local
20 economies of the Region in addition to forest
21 ecosystems;

22 (E) anticipating the effects of alternative
23 energy policies and practices; and

24 (F) implementing programs and projects
25 carried out in the Region by Federal, State,

1 tribal, and local governmental agencies so as to
 2 better meet the special problems generated in
 3 the Region by the natural resource and federal
 4 land management policies of the United States;

5 (3) as the Region obtains necessary physical
 6 and transportation facilities and develops human re-
 7 sources, to assist the Region in generating a diversi-
 8 fied industry so that the Region will be able to sup-
 9 port itself through the workings of a strengthened
 10 free enterprise economy; and

11 (4) to address the needs of severely and persist-
 12 ently distressed areas of the Region, and to focus
 13 special attention on the areas of greatest need, so as
 14 to provide a fairer opportunity for the people of the
 15 Region to share the quality of life generally enjoyed
 16 by citizens across the United States.

17 **SEC. 3. DEFINITIONS.**

18 In this Act:

19 (1) COOPERATIVE EXTENSION SERVICE.—The
 20 term “Cooperative Extension Service” means the
 21 Cooperative State Research, Education, and Exten-
 22 sion Service of the Department of Agriculture.

23 (2) LOCAL DEVELOPMENT DISTRICT.—The
 24 term “local development district” means an entity

1 located in the Region that is an economic develop-
 2 ment district that is—

3 (A) organized and operated in a manner
 4 that ensures broad-based community participa-
 5 tion and an effective opportunity for local offi-
 6 cials, community leaders, and the public to con-
 7 tribute to the development and implementation
 8 of programs in the Region;

9 (B) governed by a policy board with at
 10 least a simple majority of members consisting
 11 of—

12 (i) elected officials; and

13 (ii) designees or employees of a gen-
 14 eral purpose unit of local government that
 15 have been appointed to represent the unit
 16 of local government; and

17 (C) certified by the Governor or appro-
 18 priate State officer as having a charter or au-
 19 thority that includes the economic development
 20 of counties, portions of counties, or other polit-
 21 ical subdivisions within the Region.

22 (3) MANUFACTURING EXTENSION PARTNER-
 23 SHIP.—The term “manufacturing extension partner-
 24 ship” means a partnership of that name adminis-

tered by the National Institute of Standards and Technology of the Department of Commerce.

(4) PARTNERSHIP.—The term “Partnership” means the Inland Northwest Regional Partnership established by section 101(a).

(5) REGION.—The term “Region” means the area of the inland northwestern United States consisting of—

(A) all counties in the State of Idaho (including any political subdivision and tribal nations located within such a county);

(B) all counties in the State of Montana (including any political subdivision and tribal nations located within such a county);

(C) in the State of Washington, the counties of Adams, Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield, Grant, Kittitas, Klickitat, Lincoln, Okanogan, Pend Oreille, Skamania, Spokane, Stevens, Walla Walla, Whitman, and Yakima; and

(D) in the State of Oregon, the counties of Baker, Crook, Deschutes, Gilliam, Grant, Harney, Hood River, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, and Wheeler.

1 (6) RESOURCE CONSERVATION AND DEVELOP-
 2 MENT AREA.—The term “resource conservation and
 3 development area” means a designated area (as de-
 4 fined in section 1528(4) of the Agriculture and Food
 5 Act of 1981 (16 U.S.C. 3451(4)).

6 (7) SMALL BUSINESS DEVELOPMENT CEN-
 7 TER.—The term “small business development cen-
 8 ter” means any of the approximately 1,000 small
 9 business development centers that is—

10 (A) established by the Small Business Ad-
 11 ministration for the purpose of providing man-
 12 agement and technical assistance to small busi-
 13 nesses; and

14 (B) administered by the Office of Small
 15 Business Development Centers.

16 (8) STATE.—The term “State” means the State
 17 of Idaho, Montana, Oregon, or Washington.

18 (9) STATE RURAL DEVELOPMENT COUNCIL.—
 19 The term “State rural development council” has the
 20 meaning given the term in section 378(a)(4) of the
 21 Consolidated Farm and Rural Development Act (7
 22 U.S.C. 2008m(a)(4)).

1 **TITLE I—INLAND NORTHWEST**
2 **REGIONAL PARTNERSHIP**

3 **SEC. 101. ESTABLISHMENT, MEMBERSHIP, AND EMPLOY-**
4 **EES.**

5 (a) ESTABLISHMENT.—There is established an In-
6 land Northwest Regional Partnership.

7 (b) MEMBERSHIP.—The Partnership shall be com-
8 prised of 40 members, including, for each State—

9 (1) 3 representatives designated by the Gov-
10 ernor of the State;

11 (2) the Director for Rural Development of the
12 Department of Agriculture for the State;

13 (3) the representative of the Economic Develop-
14 ment Administration of the Department of Com-
15 merce for the State;

16 (4) the leader of at least 1 Indian tribe located
17 in the State, nominated by an Indian tribe in the
18 State and appointed by the Affiliated Tribes of
19 Northwest Indians;

20 (5) the mayor of at least 1 city in each State,
21 selected by the respective State municipal associa-
22 tions;

23 (6) a county commissioner from each State, se-
24 lected by the respective county associations;

1 (7) an industry leader from the State, nomi-
 2 nated by industry associations and appointed by the
 3 Governor of the State; and

4 (8) a small business leader from the State,
 5 nominated by a chamber of commerce in the State
 6 and appointed by the Governor of the State.

7 (c) COCHAIRPERSONS AND EXECUTIVE COM-
 8 MITTEE.—

9 (1) COCHAIRPERSONS.—The Partnership shall
 10 select from among the members of the Partnership
 11 the following 5 Cochairpersons:

12 (A) A State Cochairperson selected from
 13 among the 12 members of the Partnership that
 14 represent State government.

15 (B) A Federal Cochairperson selected from
 16 among the members of the Partnership that
 17 are—

18 (i) State directors of rural develop-
 19 ment of the Department of Agriculture; or

20 (ii) economic development representa-
 21 tives for each State under the Economic
 22 Development Administration of the De-
 23 partment of Commerce.

1 (C) A tribal Cochairperson selected from
2 among the members of the Partnership that are
3 leaders of Indian tribes.

4 (D) A local Cochairperson selected from
5 among the members of the Partnership that
6 are—

7 (i) the mayors of a city in a State;

8 and

9 (ii) county commissioners from a
10 State.

11 (E) A private Cochairperson selected from
12 among the members of the Partnership that
13 are—

14 (i) industry leaders from a State; or

15 (ii) small business leaders from a
16 State.

17 (2) EXECUTIVE COMMITTEE.—

18 (A) IN GENERAL.—The 5 Cochairpersons
19 of the Partnership shall form the Executive
20 Committee of the Partnership.

21 (B) CHAIRPERSON.—The Executive Com-
22 mittee of the Partnership shall select a Chair-
23 person from the members of the Executive
24 Committee.

1 (C) POWERS AND DUTIES.—The powers
 2 and duties of the Executive Committee shall be
 3 established by policies developed and adopted by
 4 the Partnership.

5 (d) DELEGATION.—A power or responsibility of the
 6 Partnership specified in section 102(c), and a vote of any
 7 member of the Partnership, may not be delegated to an
 8 individual who is—

- 9 (1) not a member of the Partnership; or
- 10 (2) not entitled to vote in Partnership meetings.

11 (e) STATUS OF PERSONNEL.—

12 (1) IN GENERAL.—No employee of the Partner-
 13 ship shall be considered to be a Federal employee for
 14 any purpose.

15 (2) DETAILED PERSONNEL.—A Federal em-
 16 ployee detailed under subsection (a)(3) or (b)(1) of
 17 section 106 shall not be considered to be an em-
 18 ployee of the Partnership.

19 **SEC. 102. DECISIONS.**

20 (a) REQUIREMENTS FOR APPROVAL.—A decision by
 21 the Partnership shall require the affirmative vote of a ma-
 22 jority of the members present.

23 (b) CONSULTATION.—The Federal Cochairperson, to
 24 the maximum extent practicable, shall consult with the

1 Federal departments and agencies having an interest in
 2 the subject matter of matters before the Partnership.

3 (c) DECISIONS REQUIRING QUORUM OF MEMBERS.—

4 A quorum of 21 members is required for the Partnership
 5 to decide matters involving—

6 (1) policy of the Partnership;

7 (2) approval of development plans or strategy
 8 statements;

9 (3) modification or revision of the Partnership
 10 Code;

11 (4) allocation of amounts among the States;

12 (5) designation of—

13 (A) a distressed county; or

14 (B) an economically strong county; or

15 (6) approval of project and grant proposals.

16 **SEC. 103. FUNCTIONS.**

17 (a) IN GENERAL.—In carrying out this title, the
 18 Partnership shall—

19 (1) coordinate, implement, and monitor—

20 (A) the strategic regional initiative de-
 21 scribed in sections 301 through 305; and

22 (B) projects developed by the Partnership;

23 (2) receive and disburse funds from Federal,
 24 State, tribal, and private sources designated for In-

1 land Northwest economic adjustment strategy
2 projects and programs;

3 (3) conduct and sponsor investigations, re-
4 search, and studies (including an inventory and
5 analysis of the resources of the Region) and, in co-
6 operation with Federal, State, tribal, and local agen-
7 cies, sponsor demonstration projects to foster re-
8 gional productivity and growth;

9 (4) review and study, in cooperation with the
10 agency involved, Federal, State, tribal, and local
11 public and private programs and, as appropriate,
12 recommend modifications which will increase the ef-
13 fectiveness of those programs in the Region;

14 (5) encourage private investment in industrial,
15 commercial, and recreational projects;

16 (6) serve as a focal point and coordinating unit
17 for programs in the Region;

18 (7) seek to coordinate the economic develop-
19 ment activities of, and the use of economic develop-
20 ment resources by, Federal agencies in the Region;
21 and

22 (8) carry out such other projects and activities
23 as are appropriate to promote regional, interstate,
24 and local economic development.

1 (b) IDENTIFICATION OF NEEDS AND GOALS OF SUB-
2 REGIONAL AREAS.—In carrying out the functions in sub-
3 section (a), the Partnership shall identify the characteris-
4 ties of, and may distinguish between the needs and goals
5 of, appropriate subregional areas.

6 **SEC. 104. ADMINISTRATIVE POWERS AND EXPENSES.**

7 (a) POWERS.—To carry out its duties under this title,
8 the Partnership may—

9 (1) establish bylaws for the Partnership;

10 (2) appoint and compensate necessary personnel
11 for the Partnership;

12 (3) enter into contracts to carry out the respon-
13 sibilities of the Partnership;

14 (4) subject to section 101(e), request the head
15 of any Federal department or agency to detail to
16 temporary duty with the Partnership any personnel
17 within the administrative jurisdiction of the head of
18 the department or agency that the Partnership may
19 need for carrying out its functions, provided that
20 each detail is without loss of seniority, pay, or other
21 employee status;

22 (5) arrange for the services of personnel from
23 any State or local government, subdivision or agency
24 of a State or local government, or intergovernmental
25 agency;

1 (6) accept, use, and dispose of gifts or dona-
2 tions of services or any property; and

3 (7) take such other actions and incur such
4 other expenses as may be appropriate.

5 (b) AUTHORIZATIONS.—

6 (1) DETAIL OF EMPLOYEES.—Subject to sec-
7 tion 101(e), the head of a Federal department or
8 agency may detail personnel under subsection (a)(2).

9 (2) ENTER INTO AND PERFORM TRANS-
10 ACTIONS.—A department, agency, or instrumentality
11 of the Government may enter into and perform a
12 contract, lease, cooperative agreement, or other
13 transaction under subsection (a).

14 (c) EXPENSES.—

15 (1) IN GENERAL.—Subject to paragraph (3),
16 administrative expenses of the Partnership shall be
17 shared equally by the Federal Government, partici-
18 pating Indian tribes, and the States in the Region.

19 (2) AMOUNT PAID BY EACH STATE.—The Part-
20 nership shall determine the amount to be paid by
21 each State.

22 (3) DELINQUENT STATES.—During the period
23 that a State or Indian tribe is delinquent in payment
24 of the share of that State or Indian tribe of adminis-
25 trative expenses—

1 (A) assistance authorized by this title shall
2 not be furnished to the delinquent State or In-
3 dian tribe, including any political subdivision or
4 any resident of that State; and

5 (B) a State or tribal member of the Part-
6 nership shall not participate or vote in any deci-
7 sion by the Partnership.

8 **SEC. 105. MEETINGS.**

9 The Partnership shall conduct at least 1 meeting
10 each year with at least a majority of the members present.

11 **SEC. 106. PUBLIC PARTICIPATION.**

12 (a) IN GENERAL.—The Partnership shall provide for
13 and encourage public participation in the development, re-
14 vision, and implementation of all plans and programs
15 under this title by the Partnership, any State, or any local
16 development district.

17 (b) GUIDELINES.—The Partnership shall develop and
18 publish minimum guidelines for public participation, in-
19 cluding public hearings.

20 **SEC. 107. ANNUAL REPORT.**

21 Not later than 180 days after the end of each fiscal
22 year, the Partnership shall submit to the Governor of each
23 State and to the President, for transmittal to Congress,
24 a report describing the activities carried out under this
25 title during the fiscal year.

TITLE II—FINANCIAL ASSISTANCE

SEC. 201. GRANTS AND OTHER ASSISTANCE.

(a) AUTHORIZATION TO MAKE GRANTS.—

(1) IN GENERAL.—The Partnership may make grants to qualified organizations within the Region for the purposes of implementing an Inland Northwest economic adjustment strategy.

(2) LIMITATION ON AVAILABLE AMOUNTS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), not more than 50 percent (or, in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 405, 80 percent) of the cost of any activity eligible for financial assistance under this section may be provided from amounts appropriated to carry out this title.

(B) DISCRETIONARY GRANTS.—

(i) IN GENERAL.—Discretionary grants made by the Partnership to implement significant regional initiatives, to take advantage of special development opportunities, or to respond to emergency economic distress in the Region may be

1 made without regard to the percentage
2 limitations specified in subparagraph (A).

3 (ii) LIMITATION ON AGGREGATE
4 AMOUNT.—For each fiscal year, the aggre-
5 gate amount of discretionary grants under
6 clause (i) shall not be more than 50 per-
7 cent of the amount appropriated under sec-
8 tion 503 for the fiscal year.

9 (3) SOURCES OF GRANTS.—Grant amounts may
10 be provided entirely from appropriations to carry out
11 this section, in combination with amounts available
12 under other Federal or Federal grant programs, or
13 from any other source.

14 (4) FEDERAL SHARE.—Notwithstanding any
15 provision of law limiting the Federal share in any
16 other Federal program, amounts made available to
17 carry out this section may be used to increase that
18 Federal share, as the Partnership determines to be
19 appropriate.

20 (b) RECORDS.—

21 (1) PARTNERSHIP.—

22 (A) IN GENERAL.—The Partnership
23 shall—

1 (i) maintain accurate and complete
 2 records of transactions and activities fi-
 3 nanced with Federal amounts; and

4 (ii) include a summary of those trans-
 5 actions and activities in the annual report
 6 under section 107.

7 (B) AUDIT.—The records described in sub-
 8 paragraph (A)(i) shall be available for audit by
 9 the President and the Comptroller General.

10 (2) RECIPIENTS OF FEDERAL ASSISTANCE.—

11 (A) IN GENERAL.—A recipient of Federal
 12 assistance under this section, as required by the
 13 Partnership, shall—

14 (i) maintain accurate and complete
 15 records of transactions and activities fi-
 16 nanced with Federal amounts; and

17 (ii) report to the Partnership on the
 18 transactions and activities.

19 (B) AUDIT.—The records described in sub-
 20 paragraph (A)(i) shall be available for audit by
 21 the President, the Comptroller General, and the
 22 Partnership.

23 **SEC. 202. APPROVAL OF PROJECTS.**

24 (a) IN GENERAL.—An application for a grant or for
 25 other assistance for a specific project under this title shall

1 be made through a member of the Partnership rep-
 2 resenting the applicant.

3 (b) EVALUATION.—

4 (1) IN GENERAL.—The member shall evaluate
 5 the application for approval in accordance with para-
 6 graph (2).

7 (2) REQUIREMENTS FOR APPROVAL.—For an
 8 application to be approved, the member shall certify,
 9 and the executive committee shall determine, that
 10 the application—

11 (A) implements the Partnership—approved
 12 regional development strategy;

13 (B) adequately ensures that the project
 14 will be properly administered, operated, and
 15 maintained and that project results will be
 16 measured; and

17 (C) otherwise meets the requirements for
 18 assistance under this title.

19 **TITLE III—INLAND NORTHWEST** 20 **REGIONAL PARTNERSHIP RE-** 21 **REGIONAL INITIATIVES**

22 **SEC. 301. INLAND NORTHWEST BUSINESS CLUSTER INITIA-** 23 **TIVE.**

24 The Partnership may provide technical assistance,
 25 provide grants, enter into contracts, or otherwise provide

1 amounts to persons or entities in the Region for business
2 cluster development efforts that—

3 (1) increase the competitiveness and sustain-
4 ability of clusters of related businesses; and

5 (2) bring together groups of related business
6 leaders, industry experts, and related stakeholders
7 and technical assistance providers to develop and im-
8 plement cluster developments and projects.

9 **SEC. 302. ENTREPRENEURIAL DEVELOPMENT INITIATIVE.**

10 The Partnership may provide technical assistance,
11 provide grants, enter into contracts, or otherwise provide
12 amounts to individuals or entities in the Region for entre-
13 preneurial development efforts that—

14 (1) organize, educate, and direct local commu-
15 nities in the Region to identify obstacles to the com-
16 petitiveness and growth of existing businesses;

17 (2) assist communities in addressing those ob-
18 stacles in business retention and expansion programs
19 with specific implementation actions;

20 (3) promote and encourage the growth of entre-
21 preneurial activity in the Region;

22 (4) bring together entrepreneurship practi-
23 tioners, academic experts, business leaders, and
24 technical assistance providers to identify develop and

1 implement a prioritized action plan to encourage en-
 2 trepreneurship across the Region;

3 (5) form a working network of business incu-
 4 bator managers and stakeholders, academic experts,
 5 business leaders, and technical assistance providers;

6 (6) increase affordable access to advanced tele-
 7 communications, entrepreneurship, and information
 8 technologies or applications in the Region;

9 (7) provide education and training in the use of
 10 telecommunications and technology; or

11 (8) develop programs to increase the readiness
 12 of industry groups and businesses in the Region to
 13 engage in electronic commerce.

14 **SEC. 303. TECHNOLOGY COMMERCIALIZATION INITIATIVE.**

15 The Partnership may provide technical assistance,
 16 provide grants, enter into contracts, or otherwise provide
 17 amounts to individuals and entities in the Region for tech-
 18 nology commercialization efforts that—

19 (1) increase the transfer of technology from
 20 universities, national laboratories, and other tech-
 21 nology centers to businesses, and foster technology
 22 business development, in the Region;

23 (2) create a network of universities, national
 24 laboratories, business leaders, industry experts, and
 25 States; and

1 (3) implement strategies and projects that pro-
 2 mote the growth and development of technology-re-
 3 lated business through technology transfer and re-
 4 lated activities.

5 **SEC. 304. COMMUNITY READINESS INITIATIVE.**

6 The Partnership may provide technical assistance,
 7 provide grants, enter into contracts, or otherwise provide
 8 amounts to persons or entities in the Region for capacity-
 9 building efforts that—

10 (1) increase the competitiveness and sustain-
 11 ability of local communities;

12 (2) bring together rural capacity-building prac-
 13 titioners, academic experts, related stakeholders, and
 14 technical assistance providers; and

15 (3) implement a system of providing assistance
 16 for basic community strategic planning, delivering
 17 more specialized community assessments, and deliv-
 18 ering training to communities across the Region,
 19 using existing service providers to the maximum ex-
 20 tent practicable.

21 **SEC. 305. REGIONAL WORKFORCE DEVELOPMENT.**

22 (a) **DEFINITION OF ELIGIBLE ENTITY.**—In this sec-
 23 tion, the term “eligible entity” means a consortium that—

24 (1) is established to serve 1 or more industries
 25 in a specified geographic area; and

1 (2) consists of representatives of—

2 (A) businesses (or a nonprofit organization
3 that represents businesses);

4 (B) labor organizations;

5 (C) State and local governments; or

6 (D) educational institutions.

7 (b) PROJECTS TO BE ASSISTED.—The Partnership
8 may provide technical assistance, provide grants, enter
9 into contracts, or otherwise provide amounts to eligible en-
10 tities in the Region for projects to improve the job skills
11 of workers for a specified industry.

12 **TITLE IV—ADMINISTRATION**

13 **SEC. 401. CONSENT OF STATES.**

14 Nothing in this title requires a State to engage in
15 or accept a program under this title without the consent
16 of the State.

17 **SEC. 402. PROGRAM IMPLEMENTATION.**

18 (a) REQUIREMENTS.—A program, project, or activity
19 authorized under this chapter shall not be implemented
20 until—

21 (1) the responsible Federal official determines
22 that—

23 (A) applications and plans relating to the
24 program, project, or activity are not incompat-
25 ible with this title; and

1 (B) objectives of Federal laws that the offi-
 2 cial administrators are not inconsistent with this
 3 title; and

4 (2) the Partnership has approved the program,
 5 project, or activity and has determined that the pro-
 6 gram, project, or activity—

7 (A) meets the applicable criteria under sec-
 8 tion 403 and the requirements of the develop-
 9 ment planning process under section 404; and

10 (B) will contribute to the development of
 11 the Region.

12 (b) DECISION IS CONTROLLING.—A decision under
 13 subsection (a)(2) shall apply to, and be accepted by, Fed-
 14 eral agencies.

15 **SEC. 403. PROGRAM DEVELOPMENT CRITERIA.**

16 (a) FACTORS TO BE CONSIDERED.—In considering
 17 programs, projects, and activities to be provided assistance
 18 under this title, and in establishing a priority ranking of
 19 the requests for assistance presented to the Partnership,
 20 the Partnership shall follow procedures that will ensure
 21 consideration of—

22 (1) the relationship of the program, project, or
 23 activity or class of programs, projects, or activities
 24 to overall regional development, including the loca-

1 tion of the program, project, or activity in a severely
2 and persistently distressed county or area;

3 (2) the population and area to be served by the
4 program, project, or activity or class of programs,
5 projects, or activities, including the per capita mar-
6 ket income and the unemployment rates in the area;

7 (3) the relative financial resources available to
8 the State or political subdivisions or instrumental-
9 ities of the State that seek to undertake the pro-
10 gram, project, or activity;

11 (4) the importance of the program, project, or
12 activity or class of programs, projects, or activities
13 in relation to other programs, projects, or activities
14 or classes of programs, projects, or activities that
15 may be in competition for the same amounts;

16 (5) the prospects that the program, project, or
17 activity for which assistance is sought will improve,
18 on a continuing rather than a temporary basis, the
19 opportunities for employment, the average level of
20 income, or the economic and social development of
21 the area served by the program, project, or activity;
22 and

23 (6) the extent to which the program, project, or
24 activity design provides for detailed outcome meas-

1 urements by which grant expenditures may be evalu-
2 ated.

3 (b) LIMITATION ON USE.—Financial assistance made
4 available under this title shall not be used to assist estab-
5 lishments relocating from 1 area to another.

6 (c) DETERMINATION REQUIRED BEFORE AMOUNTS
7 MAY BE PROVIDED.—Amounts may be provided for pro-
8 grams, projects, or activities in a State under this title
9 only if the Partnership determines that the level of Fed-
10 eral and State financial assistance under other laws for
11 the same type of programs, projects, or activities in that
12 part of the State within the Region will not be diminished
13 in order to substitute amounts authorized by this title.

14 (d) MINIMUM AMOUNT OF ASSISTANCE TO DIS-
15 TRESSED COUNTIES AND AREAS.—For each fiscal year,
16 not less than 50 percent of the amount of grant expendi-
17 tures approved by the Partnership shall support activities
18 or projects that benefit severely and persistently distressed
19 counties and areas.

20 **SEC. 404. REGIONAL DEVELOPMENT PLANNING PROCESS.**

21 (a) REGIONAL PLANNING AND COORDINATION.—

22 (1) IN GENERAL.—In accordance with such
23 guidelines as shall be established by the Partnership,
24 each State and tribal member shall be encouraged to
25 submit to the Partnership a development plan for

the 1 or more areas of the State, or area under the jurisdiction of the tribal member, within the Region.

(2) REQUIREMENTS.—The plan shall—

(A) reflect the goals, objectives, and priorities identified in the regional development plan and in any subregional development plan that may be approved for the subregion of which the State is a part;

(B) describe the goals, objectives, and priorities of the State for the Region, as established by the Governor, and identify the needs on which the goals, objectives, and priorities are based; and

(C) describe the development strategies for achieving the goals, objectives, and priorities (including availability of funding sources and recommendations for specific projects to receive assistance under this title).

(b) REGION-WIDE ACTION PROGRAMS.—

(1) IN GENERAL.—The Partnership shall encourage the preparation and execution of area-wide action programs.

(2) EXISTING PLANS.—The action programs shall make appropriate use of existing plans affecting the area.

1 (c) FEDERAL RESPONSIBILITIES.—To the maximum
 2 extent practicable, Federal departments, agencies, and in-
 3 strumentalities undertaking or providing financial assist-
 4 ance for programs, projects, or activities in the Region
 5 shall—

6 (1) take into account the policies, goals, and ob-
 7 jectives the Partnership and member States of the
 8 Partnership established under this Act; and

9 (2) recognize development strategies for the Re-
 10 gion that are approved by the Partnership as satis-
 11 fying requirements for overall economic development
 12 planning under the programs, projects, or activities.

13 **SEC. 405. DISTRESSED AND ECONOMICALLY STRONG COUN-**
 14 **TIES.**

15 (a) DESIGNATIONS.—

16 (1) IN GENERAL.—The Partnership, in accord-
 17 ance with such criteria as the Partnership may es-
 18 tablish, shall annually—

19 (A) designate as “distressed counties”
 20 those counties in the Region that are the most
 21 severely and persistently distressed; and

22 (B) designate 2 categories of economically
 23 strong counties, consisting of—

24 (i) “competitive counties”, which shall
 25 be those counties in the Region that are

1 approaching economic parity with the rest
2 of the United States; and

3 (ii) “attainment counties”, which shall
4 be those counties in the Region that have
5 attained or exceeded economic parity with
6 the rest of the United States.

7 (2) ANNUAL REVIEW OF DESIGNATIONS.—The
8 Partnership shall—

9 (A) conduct an annual review of each des-
10 ignation of a county under paragraph (1) to de-
11 termine if the county still meets the criteria for
12 the designation; and

13 (B) renew the designation for another 1-
14 year period only if the county still meets the
15 criteria.

16 (b) DISTRESSED COUNTIES.—In developing and im-
17 plementing programs, projects, and activities under this
18 title, and in allocating amounts made available to carry
19 out this title, the Partnership shall give special consider-
20 ation to the needs of counties for which a distressed coun-
21 ty designation is in effect under this section.

22 (c) ECONOMICALLY STRONG COUNTIES.—

23 (1) COMPETITIVE COUNTIES.—Except as pro-
24 vided in paragraphs (3) and (4), assistance under
25 this title for a program, project, or activity that is

1 carried out in a county for which a competitive coun-
2 ty designation is in effect under this section shall
3 not be more than 30 percent of the cost of the pro-
4 gram, project, or activity.

5 (2) ATTAINMENT COUNTIES.—Except as pro-
6 vided in paragraphs (3) and (4), amounts may not
7 be provided under this title for a program, project,
8 or activity that is carried out in a county for which
9 an attainment county designation is in effect under
10 this section.

11 (3) EXCEPTIONS.—Paragraphs (1) and (2) do
12 not apply to a multicounty project that is carried out
13 in at least 2 counties designated under this section,
14 if—

15 (A) at least 1 of the participating counties
16 is designated as a distressed county under this
17 section; and

18 (B) the project will be of substantial direct
19 benefit to at least 1 distressed county.

20 (4) WAIVER.—The Partnership may waive the
21 requirements of paragraphs (1) and (2) for a pro-
22 gram, project, or activity if the recipient of assist-
23 ance for the program, project, or activity dem-
24 onstrates the existence of any of the following:

1 (A) A significant area of distress in the
 2 part of the county in which the program,
 3 project, or activity is carried out.

4 (B) A significant potential benefit from the
 5 program, project, or activity in at least 1 area
 6 of the Region outside the designated county.

7 **TITLE V—MISCELLANEOUS**

8 **SEC. 501. AUTHORIZATION OF APPROPRIATIONS.**

9 (a) IN GENERAL.—There are authorized to be appro-
 10 priated such sums as are necessary to carry out this Act.

11 (b) AVAILABILITY.—Amounts made available under
 12 subsection (a) shall remain available until expended.

13 **SEC. 502. CESSATION OF EFFECTIVENESS.**

14 This Act (except subsections (a)(1) and (b) of section
 15 102) ceases to be effective October 1, 2012.

